

**Interstate Rate of Return Summary \***  
**January 1, 2000 - December 31, 2000**  
**Initial Reports Filed April 2, 2001**  
**Price-Cap Carriers**

Prepared by Katie Rangos, Industry Analysis Division, May 3, 2001.

	Name of Company	Operating Revenues (000)	Operating Expenses (000)	Operating Income (000)	Average Net Investment (000)	Rate of Return (%)	Sharing/ Low End (000)	FCC Ordered Refund
1	BellSouth Telecommunications, Inc.	\$4,020,503	\$2,841,905	\$1,178,598	\$5,212,395	22.61 %	N/A	N/A
2	Qwest Corporation, Including Malheur & El Paso	2,966,866	2,222,216	744,650	3,764,085	19.78	0	0
	<b>SBC Companies (FCC Generated)</b>	8,383,587	6,367,742	2,015,846	9,569,672	21.06		
3	Southwestern Bell Telephone Company	2,706,293	2,217,256	489,037	3,357,938	14.56	0	N/A
4	Ameritech Operating Companies	2,886,013	2,020,376	865,637	2,913,558	29.71	0	N/A
5	Nevada Bell	69,095	51,349	17,747	80,403	22.07	0	N/A
6	Pacific Bell	2,277,905	1,750,411	527,494	2,732,990	19.30	0	N/A
7	Southern New England Telephone Company	444,281	328,350	115,931	484,783	23.91	0	N/A
	<b>Verizon Companies (FCC Generated)</b>	10,096,849	7,689,460	2,407,390	14,258,189	16.88		
8	Bell Atlantic d/b/a Verizon Communications	7,080,901	5,759,321	1,321,580	9,891,711	13.36	0	N/A
9	GTE California Inc. (California - GTCA)	565,217	359,259	205,958	778,613	26.45	13,155	0
10	GTE California, Inc. (Arizona - COAZ)	2,950	2,502	448	3,683	12.17	27	0
11	GTE California, Inc. (California - COCA)	58,889	34,105	24,784	85,226	29.08	0	0
12	GTE California, Inc. (Nevada - CONV)	9,838	5,353	4,485	15,576	28.79	0	0
13	GTE Florida Inc. (Florida - GTFL)	399,195	279,774	119,421	547,465	21.81	11,942	0
14	GTE Hawaiian Telephone Co. Inc. (Hawaii - GTHI)	117,342	77,462	39,879	221,859	17.98	(846)	0
15	GTE Midwest Inc. (Missouri - COMO + COCM + COEM = COMT)	53,617	36,935	16,682	93,379	17.86	2	0
16	GTE Midwest Inc. (Missouri - GTMO)	23,178	17,147	6,031	31,220	19.32	0	0
17	GTE North Inc. (COPA + COQS = COPT)	19,771	11,294	8,478	20,690	40.98	0	0
18	GTE North Inc. (Illinois - COIL)	31,492	17,986	13,506	30,425	44.39	0	0
19	GTE North Inc. (Indiana - COIN)	34,013	17,563	16,450	34,482	47.71	0	0
20	GTE North Inc. (Ohio - GTOH)	122,242	78,824	43,419	198,617	21.86	0	0
21	GTE North Inc. (Pennsylvania - GTPA)	76,345	49,887	26,458	119,939	22.06	0	0
22	GTE North Inc. (Wisconsin - GTWI)	65,419	43,527	21,892	128,484	17.04	0	0
23	GTE North/Contel Systems of South (GTIN + GLIN = GAIN)	138,708	78,603	60,105	177,461	33.87	0	0
24	GTE North/Contel Systems of South (GTMI + GLMI = GAMI)	95,211	63,211	32,000	193,921	16.50	(423)	0
25	GTE North/GTE South (GTIL + GLIL = GAIL)	107,113	64,672	42,441	177,183	23.95	0	0
26	GTE Northwest Inc. (Idaho - GTID)	45,862	29,661	16,201	47,290	34.26	0	0
27	GTE Northwest Inc. (Oregon - GTOR)	99,471	58,006	41,465	133,696	31.01	0	0
28	GTE Northwest Inc. (Washington - COWA)	17,706	9,173	8,533	21,648	39.42	0	0
29	GTE Northwest Inc. (Washington - GTWA)	164,763	86,633	78,130	233,893	33.40	(161)	0
30	GTE Northwest, Inc. (West Coast CA - GNCA)	121	499	(378)	4,496	(8.40)	(32)	0
31	GTE South Inc. (Alabama - GTAL)	37,372	28,153	9,219	45,006	20.48	0	0
32	GTE South Inc. (Kentucky - COKY)	22,465	13,302	9,162	28,191	32.50	(558)	0
33	GTE South Inc. (Kentucky - GTKY)	86,561	59,911	26,650	116,562	22.86	0	0
34	GTE South Inc. (North Carolina - GTNC)	56,071	35,816	20,255	76,648	26.43	0	0
35	GTE South Inc. (North Carolina - CONC)	22,103	15,760	6,343	35,694	17.77	0	0
36	GTE South Inc. (GTSC + COSC = GTST)	42,293	25,231	17,062	53,819	31.70	0	0
37	GTE South Inc. (Virginia - COVA)	127,605	70,605	57,000	139,160	40.96	0	0
38	GTE South Inc. (Virginia - GTVA)	6,984	6,116	868	13,473	6.44	118	0
39	GTE Southwest Inc. (Texas - COTX)	32,740	26,265	6,476	50,332	12.87	0	0
40	GTE Southwest Inc. (Texas - GTTX)	294,080	192,328	101,752	468,029	21.74	4,601	0
41	GTE Systems of the South (Alabama - COAL)	30,239	25,803	4,436	29,657	14.96	60	0
42	Micronesian Telecommunications Corp. (Northern Mariana Is. - GTMC)	8,972	8,773	199	10,661	1.87	410	0

**Interstate Rate of Return Summary \***  
**January 1, 2000 - December 31, 2000**  
**Initial Reports Filed April 2, 2001**  
**Price-Cap Carriers**

Prepared by Katie Rangos, Industry Analysis Division, May 3, 2001.

Name of Company		Operating Revenues (000)	Operating Expenses (000)	Operating Income (000)	Average Net Investment (000)	Rate of Return (%)	Sharing/ Low End (000)	FCC Ordered Refund
	<b>Sprint</b>	1,225,060	895,016	330,044	1,402,555	23.53	N/A	N/A
43	Central Telephone - Nevada	111,007	80,940	30,067	155,828	19.29	N/A	N/A
44	Sprint - Florida, Inc.	341,609	236,872	104,737	382,677	27.38	N/A	N/A
45	Sprint Local Telephone Cos. - Eastern (NJ & PA)	86,993	62,989	24,005	93,679	25.62	N/A	N/A
46	Sprint Local Telephone Cos. - Midwest (MO, KS, MN, NE, WY, TX)	103,202	135,759	47,443	251,313	18.88	N/A	N/A
47	Sprint Local Telephone Cos. - North Carolina	211,558	164,127	47,431	213,345	22.23	N/A	N/A
48	Sprint Local Telephone Cos. - Northwest (OR & WA)	36,063	23,624	12,438	37,954	32.77	N/A	N/A
49	Sprint Local Telephone Cos. - Southeast (TN, VA & SC)	113,281	81,418	31,863	136,659	23.32	N/A	N/A
50	United Telephone Company of Indiana, Inc.	41,448	29,306	12,141	31,772	38.21	N/A	N/A
51	United Telephone Company of Ohio	99,900	79,981	19,919	99,436	20.03	N/A	N/A
	<b>All Other Companies (FCC Generated)</b>	716,566	507,980	208,585	1,026,797	20.31		
52	Aliant Communications, Inc. (ALLTEL)	43,404	36,935	6,469	53,909	12.00	0	0
53	Cincinnati Bell Telephone Company	155,524	107,919	47,605	164,427	28.95	N/A	N/A
54	Citizens Telecommunications Cos. (Tariff 1)	206,946	146,826	60,120	305,421	19.68		
55	Citizens Telecommunications Cos. (Tariff 2)	50,791	33,430	17,361	72,175			
56	Citizens Telecommunications Cos. (Tariff 3)	3,059	2,238	821	5,092	16.12		
57	Citizens Telecommunications Cos. (Tariff 4)	14,400	10,301	4,099	61,642	30.94		
58	Citizens Telecommunications Cos. (Tariff 5)	275	343	(68)	3,662	(11.23)		
59	Frontier Telephone of Rochester, Inc.	70,497	49,115	21,382	113,088	18.91	N/A	N/A
60	Frontier Tier 2 Concurring Carriers	51,910	28,073	23,837	61,205	38.95	N/A	N/A
61	Frontier Communications of Minnesota & Iowa	31,583	19,632	11,950	36,036	33.16	N/A	0
62	VALOR New Mexico #1164	10,352	7,123	3,229	15,694	20.57	N/A	0
63	VALOR New Mexico #1193	11,185	9,251	1,934	14,426	13.41	N/A	0
64	VALOR Oklahoma	20,129	15,627	4,502	40,297	11.17	N/A	0
65	VALOR Texas	46,511	41,167	5,344	79,723	6.70	N/A	0
	<b>Total</b>	\$27,329,432	\$20,524,319	\$6,885,113				

Maximum Rate of Return	47.71 %
Minimum Rate of Return	(11.23)
Weighted Arithmetic Mean	19.53
Standard Deviation	5.99

\* The interstate rates of return reported by carriers on the FCC Form 492A may not necessarily agree with the interstate rates of return reported by the carriers on other Commission forms. For example, price-cap carriers also report interstate rates of return on the Commission's Automated Reporting Management Information System's (ARMIS) 43-01 report. The interstate rates of return reported by carriers on the ARMIS 43-01 include revenues and costs for non-price-cap services. In addition, they exclude adjustments, if any, for the previous year's sharing obligation or low-end adjustment.

**Interstate Rate of Return Summary \***  
**January 1, 1999 - December 31, 1999**  
**Final Reports Filed April 2, 2000**  
**Price-Cap Carriers**

Prepared by Katie Rangos, Industry Analysis Division, April 10, 2001.

Name of Company		Operating Revenues (000)	Operating Expenses (000)	Operating Income (000)	Average Net Investment (000)	Rate of Return (%)	Sharing/ Low End (000)	FCC Ordered Refund
1	Bell Atlantic	\$6,822,859	\$5,614,894	\$1,207,965	\$8,843,339	13.66 %	0	N/A
2	BellSouth Telecommunications, Inc.	3,919,692	2,909,350	1,010,342	4,814,479	20.99	N/A	N/A
	<b>SBC Communications Inc. (FCC Generated)</b>	7,812,591	6,120,861	1,691,730	8,998,873	18.80		
3	Southwestern Bell Telephone Company	2,532,728	2,186,881	345,847	3,382,629	10.22	1,531	N/A
4	Ameritech Operating Companies	2,687,903	1,911,918	775,985	2,681,965	28.93	0	N/A
5	Nevada Bell	61,643	47,269	14,374	74,638	19.26	0	N/A
6	Pacific Bell	2,145,086	1,651,223	493,863	2,350,979	21.01	0	N/A
7	Southern New England Telephone Company	385,231	323,570	61,661	508,662	12.12	0	N/A
8	U S WEST Communications, Inc. (Inc. Malheur & El Paso)	2,874,461	2,193,704	680,757	3,572,325	19.06	0	0
	<b>GTE (FCC Generated)</b>	3,154,280	2,112,168	1,042,108	4,551,843	22.89		
9	Contel of Minnesota - COMN	21,169	14,435	6,733	20,998	32.07	63	0
10	Contel of Minnesota - GTMN	501	444	57	1,602	3.56	193	0
11	GTE Alaska, Inc. (Alaska - GTAK)	4,885	3,980	905	6,785	13.34	(1)	0
12	GTE Arkansas, Inc. (COAR + COSA = COAT)	31,068	24,326	6,741	40,115	16.81	260	0
13	GTE California Inc. (California - GTCA)	544,435	376,426	168,008	763,212	22.01	12,254	0
14	GTE California, Inc. (Arizona - COAZ)	2,723	2,185	538	3,456	15.57	(85)	0
15	GTE California, Inc. (California - COCA)	62,577	39,004	23,573	83,355	28.28	(127)	0
16	GTE California, Inc. (Nevada - CONV)	9,538	6,322	3,216	15,636	20.57	(51)	0
17	GTE Florida Inc. (Florida - GTFI)	368,007	262,120	105,887	559,339	18.93	12,448	0
18	GTE Hawaiian Telephone Co. Inc. (Hawaii - GTHI)	118,998	79,438	39,560	224,529	17.62	(2,087)	0
19	GTE Midwest Inc. (COIA + COSI = COIT)	30,229	19,953	10,276	30,087	34.16	11	0
20	GTE Midwest Inc. (Iowa - GTIA)	22,281	15,663	6,618	29,140	22.71	(135)	0
21	GTE Midwest Inc. (Missouri - COMO + COCM + COEM = COMT)	61,765	45,011	16,754	109,592	15.29	(24)	0
22	GTE Midwest Inc. (Missouri - GTMO)	21,944	17,472	4,471	37,841	11.82	(106)	0
23	GTE Midwest Inc. (Nebraska - GTNE)	10,255	6,282	3,973	11,352	35.00	(22)	0
24	GTE North Inc. (COPA + COQS = COPT)	19,321	11,116	8,205	20,729	39.58	15	0
25	GTE North Inc. (Illinois - COIL)	33,291	20,353	12,938	31,535	41.03	(215)	0
26	GTE North Inc. (Indiana - COIN)	34,735	20,368	14,367	34,705	41.40	(3)	0
27	GTE North Inc. (Ohio - GTOH)	127,584	86,524	41,060	189,230	21.70	75	0
28	GTE North Inc. (Pennsylvania - GTPA)	75,638	50,463	25,175	117,562	21.41	134	0
29	GTE North Inc. (Wisconsin - GTWI)	73,511	50,625	22,886	128,204	17.85	(335)	0
30	GTE North/Contel Systems of South (GTIN + GLIN = GAIN)	142,066	85,879	56,187	173,055	32.47	(205)	0
31	GTE North/Contel Systems of South (GTMI + GLMI = GAMI)	97,989	68,336	29,653	188,243	15.75	1,942	0
32	GTE North/GTE South (GTIL + GLIL = GAIL)	111,006	72,428	38,578	172,581	22.35	(218)	0
33	GTE Northwest Inc. (Idaho - GTID)	48,533	32,883	15,650	48,547	32.24	150	0
34	GTE Northwest Inc. (Oregon - GTOR)	95,372	55,771	39,601	125,494	31.56	154	0
35	GTE Northwest Inc. (Washington - COWA)	17,800	10,011	7,789	19,887	39.17	(24)	0
36	GTE Northwest Inc. (Washington - GTWA)	151,056	78,803	72,254	219,523	32.91	7,359	0
37	GTE Northwest, Inc. (West Coast CA - GNCA)	1,196	1,754	(558)	5,618	(9.93)	92	0
38	GTE South Inc. (Alabama - GTAL)	36,466	27,055	9,411	42,334	22.23	0	0
39	GTE South Inc. (Kentucky - COKY)	19,723	17,012	2,711	28,396	9.55	367	0
40	GTE South Inc. (Kentucky - GTKY)	84,686	56,591	28,095	116,929	24.03	65	0
41	GTE South Inc. (North Carolina - GTNC)	53,893	36,680	17,212	69,261	24.85	91	0
42	GTE South Inc. (N. Carolina - CONC)	26,223	19,785	6,437	32,394	19.87	122	0
43	GTE South Inc. (GTSC + COSC = GTST)	43,125	27,225	15,900	51,793	30.70	4	0
44	GTE South Inc. (Virginia - COVA)	122,419	74,585	47,834	137,701	34.74	180	0

**Interstate Rate of Return Summary \***  
**January 1, 1999 - December 31, 1999**  
**Final Reports Filed April 2, 2000**  
**Price-Cap Carriers**

Prepared by Katie Rangos, Industry Analysis Division, April 10, 2001.

Name of Company	Operating Revenues (000)	Operating Expenses (000)	Operating Income (000)	Average Net Investment (000)	Rate of Return (%)	Sharing/ Low End (000)	FCC Ordered Refund
45 GTE South Inc. (Virginia - GTVA)	7,686	6,624	1,062	10,682	9.94	(333)	0
46 GTE Southwest Inc. (Arkansas - GTAR)	18,448	17,477	971	23,382	4.15	(2,195)	0
47 GTE Southwest Inc. (New Mexico - CONM)	13,260	9,818	3,442	12,001	28.68	(16)	0
48 GTE Southwest Inc. (New Mexico - GTNM)	10,676	6,434	4,243	10,784	39.34	29	0
49 GTE Southwest Inc. (Oklahoma - GTOK)	19,176	12,832	6,344	33,641	18.86	33	0
50 GTE Southwest Inc. (Texas - COTX)	39,352	29,148	10,204	59,583	17.13	(72)	0
51 GTE Southwest Inc. (Texas - GTTX)	286,464	185,910	100,554	469,426	21.42	1,430	0
52 GTE Systems of the South (Alabama - COAL)	20,778	17,479	3,299	30,317	10.88	579	0
53 Micronesian Telecommunications Corp. (Northern Mariana Is. - GTMC)	12,432	9,138	3,294	11,267	29.24	(585)	0
<b>Sprint</b>	1,213,882	906,286	307,596	1,445,851	21.27	-	N/A
54 Central Telephone - Nevada	110,369	77,372	32,997	156,048	21.15	-	N/A
55 Sprint - Florida, Inc.	337,772	236,902	100,871	371,199	27.17	-	N/A
56 Sprint Local Telephone Companies - Eastern (NJ & PA)	86,223	65,203	21,020	100,716	20.87	N/A	N/A
57 Sprint Local Telephone Companies - Midwest (MO, KS, MN, NE, WY, TX)	185,905	139,486	46,419	262,408	17.69	-	N/A
58 Sprint Local Telephone Companies - North Carolina	205,925	169,410	36,516	229,300	15.92	-	N/A
59 Sprint Local Telephone Companies - Northwest (OR & WA)	36,756	24,237	12,520	39,295	31.86	-	N/A
60 Sprint Local Telephone Companies - Southeast (TN, VA & SC)	107,895	82,537	25,358	144,927	17.50	-	N/A
61 United Telephone Company of Indiana, Inc.	41,820	31,053	10,767	37,155	28.98	-	N/A
62 United Telephone Company of Ohio	101,217	80,087	21,130	104,804	20.16	-	N/A
<b>All Other Companies (FCC Generated)</b>	617,700	454,379	163,320	768,583	21.25	-	-
63 Aliant Communications Company	45,414	35,058	10,356	53,732	19.27	0	0
64 Cincinnati Bell Telephone Company 1/	145,845	105,060	40,785	160,230	25.45	-	-
65 Citizens Telecommunications Cos. (Tariff 1) 1/	215,710	166,698	49,012	293,266	16.71	-	-
66 Citizens Telecommunications Cos. (Tariff 2) 1/	50,219	38,407	11,812	75,038	15.74	-	-
67 Citizens Telecommunications Cos. (Tariff 3) 1/	3,460	2,473	986	6,338	15.56	-	-
68 Frontier Telephone of Rochester, Inc.	65,727	49,951	15,776	94,076	16.77	N/A	N/A
69 Frontier Tier 2 Concurring Carriers	59,035	36,394	22,641	52,138	43.42	N/A	N/A
70 Frontier Communications of Minnesota & Iowa	32,290	20,338	11,952	33,765	35.40	N/A	N/A
<b>Total</b>	\$26,415,465	\$20,311,643	\$6,103,820				

1/ No change to preliminary.

Maximum Rate of Return	43.42 %
Minimum Rate of Return	(9.93)
Weighted Arithmetic Mean	18.50
Standard Deviation	5.96

\* The interstate rates of return reported by carriers on the FCC Form 492A may not necessarily agree with the interstate rates of return reported by the carriers on other Commission forms. For example, price-cap carriers also report interstate rates of return on the Commission's Automated Reporting Management Information System's (ARMIS) 43-01 report. The interstate rates of return reported by carriers on the ARMIS 43-01 include revenues and costs for non-price-cap services. In addition, they exclude adjustments, if any, for the previous year's sharing obligation or low-end adjustment.

**Non-Price Cap Companies  
Rate of Return Summary  
January 1, 1999 - December 31, 2000  
Summary of Reports Filed September 30, 2001**

Name of Company	Switched Traffic Sensitive						
	Interstate	Common Line	Special Access	End Office	Information	Local Transport	Total
National Exchange Carrier Association	11.81 %	11.44 %	11.48 %	-	-	-	12.34 %
1 ACS of Anchorage	17.09	11.35	12.94	27.10	91.77	37.05	30.26
2 ALLTEL Alabama, Inc.	10.68	11.44	45.10	4.76		10.43	6.09
3 ALLTEL Arkansas, Inc.	10.30	11.44	13.34	5.56		6.08	5.94
4 ALLTEL Carolina, Inc.	10.56	11.44	8.32	9.05		8.95	8.89
5 ALLTEL Florida, Inc.	11.17	11.44	11.66	10.53		8.90	9.64
6 ALLTEL Georgia Properties	12.38	14.15	8.66	9.82		7.82	8.86
7 ALLTEL Kentucky, Inc.	10.93	11.44	9.87	11.08		6.81	10.18
8 ALLTEL Mississippi, Inc.	10.56	11.44	21.09	5.69		10.43	6.78
9 ALLTEL Missouri, Inc.	13.10	11.44	23.65	13.28		12.77	13.06
10 ALLTEL New York, Inc.	10.88	11.44	5.33	14.19		8.81	12.55
11 ALLTEL Oklahoma Properties	12.01	11.44	16.81	11.74		13.81	12.05
12 ALLTEL Pennsylvania, Inc.	12.24	11.44	14.02	14.21		12.02	13.55
13 ALLTEL South Carolina, Inc.	10.85	11.44	15.25	6.25		5.69	6.25
14 Sugar Land Telephone Co.	9.48	11.44	8.81	10.79		4.01	6.63
15 Texas ALLTEL, Inc.	11.16	11.44	16.61	8.49		9.61	8.80
16 Western Reserve Telephone Company	10.31	11.44	8.61	8.85		10.24	9.66
17 C-R Telephone Company 1/ 2/	8.97	12.17	82.08	1.58		12.31	3.67
18 CenturyTel of Midwest-Michigan, Inc./CenturyTel of	16.63	11.25	37.02				31.98
19 CenturyTel of Ohio, Inc.	18.96	14.55	19.89				22.48
20 CenturyTel of Wisconsin, Inc.	19.68	11.25	21.89				28.93
21 Chillicothe Telephone Company, The 2/	27.42	11.25	16.24	40.03		0.08	25.03
22 Concord Telephone Co.	15.58	11.46	30.98	24.99	(423.81)	22.84	22.77
23 El Paso Telephone Co. 1/ 2/	-4.84	3.27	251.20	(11.40)		(305.07)	(21.42)
24 Farmers Telephone Cooperative, Inc. 1/	13.26	11.61	8.17	21.61		18.25	19.48
25 Fort Mill Telephone Company	15.04	11.47	17.20	31.41		71.25	41.43
26 Gallatin River Communications, LLC 3/	11.43	12.47	9.74	10.64		12.04	10.95
27 Gulf Telephone Company 3/	11.98	11.89	11.70	11.75		12.38	12.15
28 Home Telephone Company, Inc.	12.30	11.60	28.97	10.99		8.27	10.52
29 Horry Telephone Cooperative, Inc.	11.88	11.58	3.84	19.73		9.57	14.48
30 Illinois Consolidated Telephone Company	11.77	11.43	11.65	11.65		11.65	12.58
31 Lancaster Telephone Company	9.50	11.45	5.06	8.26		(14.00)	5.18
32 Odin Telephone Exchange, Inc. 2/	10.44		(11.67)	12.21		(3.82)	11.17
33 Puerto Rico Telephone Company	9.63	11.45	3.63	21.70	(133.31)	0.11	6.45
34 Rock Hill Telephone Company	9.39	11.47	6.52	7.15		(0.68)	4.61
35 Roseville Telephone Company	18.42	11.21	12.82	54.50		33.94	44.73
36 Taconic Telephone Corporation 1/	13.69	13.68	10.73	11.68	(112.50)	27.17	14.55
37 Telephone Utilities Exchange Carrier Assoc.	11.97	11.25	16.77				12.10
38 TXU Communications Telephone Company, Inc. 2/	11.67	11.82	9.40	13.44		15.72	14.29
39 Utelco, Inc. 2/	11.50						
40 Virgin Islands Telephone Corporation	11.48	11.45	13.33	11.38	(243.33)	13.00	11.15
41 Warwick Valley Telephone Company 2/	13.00	11.06	16.52	12.48		26.57	13.71
42 Winterhaven Telephone Company	13.16	10.23	26.67				16.03

1/ Rates are for 7/1/99 - 12/31/00.

2/ No revisions to preliminary report.

3/ Rates are for 1/1/00 - 12/31/00.

Maximum Rate of Return	27.42 %	14.55 %	251.20 %	54.50 %	91.77 %	71.25 %	44.73 %
Minimum Rate of Return	(4.84)	3.27	(11.67)	(11.40)	(423.81)	(305.07)	(21.42)
Weighted Arithmetic Mean	11.90	11.72	11.86	16.09	(131.54)	6.83	13.42
Standard Deviation	2.74	0.87	5.89	9.02	93.69	9.32	6.40

**Interstate Rate of Return Summary \***  
**Years 1991 through 2000**  
**Price-Cap Companies Reporting FCC Form 492A**  
**(Final Reports for 1991 through 1999 and Initial Report for 2000)**

Prepared by Katie Rangos as of May 3, 2001.

Reporting Entity	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
1 <b>BellSouth Telephone Companies</b>	22.61 %	20.99 %	20.80 %	17.91 %	16.40 %	15.78 %	15.92 %	13.68 %	12.80 %	12.62 %
2 <b>Qwest Corporation, Including Malheur and El Paso</b>	19.78	19.06	16.56	15.41	13.64	12.00	12.40	13.62	12.41	12.40
<b>SBC Communications, Inc.</b>										
3 Southwestern Bell Telephone Company	14.56	10.22	9.91	10.32	11.63	13.38	13.01	12.91	11.80	10.75
4 Ameritech Operating Companies	29.71	28.93	22.59	18.22	18.27	16.78	13.39	14.80	12.79	13.00
5 Nevada Bell	22.07	19.26	16.02	19.47	17.75	17.31	17.92	17.44	14.51	12.98
6 Pacific Bell	19.30	21.01	16.50	11.98	17.68	15.76	14.93	12.89	12.68	11.85
7 Southern New England Telephone Company	23.91	12.12	10.99	12.70	11.64	11.58	11.34	11.52	12.90	8.56
<b>Verizon Companies</b>										
8 Bell Atlantic dba Verizon Communications (Former Bell Atlantic Companies)	13.36	13.66								
Bell Atlantic			13.88	14.73	11.24	13.74	14.00	14.01	12.50	12.83
Bell Atlantic (NYNEX)			11.40	13.72	15.23	12.12	11.79	12.55	12.50	
New England Telephone and Telegraph Co. New York Telephone (Former GTE Companies)										8.54 9.82
9 GTE South Inc. (Kentucky - COKY)	32.50	9.55	5.97	6.62	4.49	4.79	5.56			
10 GTE South Inc. (N. Carolina - CONC)	17.77	19.87	12.78	16.63	11.98	14.16	10.75			
GTE South Inc. (S. Carolina - COSC)			26.14	25.09	17.40	12.32	9.77			
GTE South Inc. (Virginia - COVA)	40.96	34.74	35.19	33.65	30.90	23.18	23.45			
12 GTE Systems of The South (Alabama - COAL) GSTC - South (East South Contel)	14.96	10.88	7.97	15.31	9.69	11.88	12.58	15.09	9.90	9.67
13 GTE North Inc. (Illinois - COIL)	44.39	41.03	14.11	41.14	36.34	24.21	26.48			
14 GTE North Inc. (Indiana - COIN)	47.71	41.40	34.61	33.26	29.02	23.27	22.44			
GTE Midwest Inc. (COIA + COSI = COIT)	1/	34.16	38.27	35.04	30.39	22.39	18.31			
15 GTE Midwest Inc. (Missouri - COMO + COCM + COEM = GTE Arkansas, Inc. (COAR + COSA = COAT) Contel of Minnesota - COMN GSTC - Central (Central Contel)	17.86	15.29	12.56	12.39	11.97	9.57	10.79			
GTE North Inc. (COPA + COQS = COPT)	40.98	39.58	45.97	36.83	40.55	36.38	32.60	16.28	10.24	11.22
GTE Alaska, Inc. (Alaska - GTAK)	1/	13.34	26.89	29.58	19.44	22.48	24.78	16.13	14.84	14.69
17 GTE California Inc. (California - GTCA)	26.45	22.01	17.19	17.68	13.72	6.95	9.08	7.05	10.73	12.45
18 GTE California, Inc. (California - COCA)	29.08	28.28	22.71	19.16	17.63	16.03	12.19			
19 GTE California, Inc. (Arizona - COAZ)	12.17	15.57	13.80	14.17	4.15	2.95	6.24			
20 GTE California, Inc. (Nevada - CONV) Contel of California, Inc.	28.79	20.57	24.01	31.44	25.50	19.15	27.39	15.43	8.51	11.87
21 GTE Florida Inc. (Florida - GTFL)	21.81	18.93	14.58	19.14	15.17	8.56	7.36	7.36	9.52	12.64
22 GTE Hawaiian Telephone Co. Inc. (Hawaii - GTHI)	17.98	17.62	15.64	10.55	9.42	7.87	8.15	9.18	8.98	11.75
23 GTE North/GTE South (GTIL + GLIL = GAIL)	23.95	22.35	23.07	21.59	18.36	14.69	17.12	13.77	12.60	12.65
24 GTE North/Contel Systems of South (GTIN + GLIN = GAIN)	33.87	32.47	29.06	23.61	26.23	18.80	18.21	14.50	14.17	14.16
25 GTE North/Contel Systems of South (GTMI + GLMI = GAM) GTE Midwest Inc. (IOWA - GTIA) Contel of Minnesota - GTMN GTE North Inc. (Total IA+MN GTE)	16.50	15.75	13.17	15.33	14.85	11.45	11.10	9.82	14.21	12.89
GTE Midwest Inc. (Missouri - GTMO)	19.32	11.82	16.08	17.88	19.84	17.18	18.20	13.48	13.99	13.30
GTE Midwest Inc. (Nebraska - GTNE)	1/	35.00	30.08	27.35	28.86	21.67	20.35	13.84	12.74	8.70
27 GTE North Inc. (Ohio - GTOH)	21.86	21.70	21.83	24.37	21.20	17.21	16.90	12.66	12.91	10.55
28 GTE North Inc. (Pennsylvania - GTPA)	22.06	21.41	14.67	20.62	18.91	14.02	14.81	11.72	12.42	12.82
29 GTE North Inc. (Wisconsin - GTWI)	17.04	17.85	16.08	18.75	17.99	13.96	13.65	13.85	13.00	10.43
30 GTE Northwest Inc. (Oregon - GTOR)	31.01	31.56	27.03	28.23	23.50	18.89	16.20			
31 GTE Northwest Inc. (Washington - GTWA)	33.40	32.91	27.33	24.41	21.60	15.87	13.67			
32 GTE Northwest Inc. (West Coast CA - GNCA) GTE Northwest Inc. (Total OR+WA+NWCA GTE)	(8.40)	(9.93)	(6.85)	(25.83)	(24.03)	(16.99)	(15.37)	9.90	10.82	11.83
33 GTE Northwest Inc. (Idaho - GTID) GTE Northwest Inc. (Montana - GTMT) GTE Northwest Inc. (Total ID + MT GTE)	34.26	32.24	30.89	30.52	23.94	20.78	19.60	15.37		
GTE Northwest Inc. (Washington - COWA) GTE Northwest Inc. (Contel Oregon - COOR) GTE Systems of Northwest (Northwest Contel)	39.42	39.17	30.41	31.85	29.43	22.24	18.07	9.18	16.00	17.34
GTE South Inc. (Alabama - GTAL)	20.48	22.23	17.59	23.49	17.68	11.39	11.83	18.09	10.26	8.96
36 GTE South Inc. (Kentucky - GTKY)	22.86	24.03	22.34	20.57	18.46	13.89	10.96			
37 GTE South Inc. (North Carolina - GTNC)	26.43	24.85	27.92	24.48	23.83	14.99	19.02			
GTE South Inc. (South Carolina - GTSC)			30.62	24.06	25.70	18.93	17.60			
38 GTE South Inc. (GTSC + COSC = GTST)	31.70	30.70								
39 GTE South Inc. (Virginia - GTVA) GTE South Inc. (Total South GTE) GTE Southwest Inc. (Arkansas - GTAR) GTE Southwest Inc. (New Mexico - GTNM) GTE Southwest Inc. (Oklahoma - GTOK)	6.44	9.94	20.56	23.76	11.07	10.91	9.29	11.91	12.61	11.50
GTE Southwest Inc. (Texas - GTTX) GTE Southwest Inc. (Total Southwest GTE)	1/	4.15	5.17	3.21	(1.97)	(1.57)	0.65			
GTE Southwest Inc. (New Mexico - GTNM)	1/	39.34	31.79	24.21	24.60	17.18	10.00			
GTE Southwest Inc. (Oklahoma - GTOK)	1/	18.86	15.97	14.90	10.77	6.70	6.44			
40 GTE Southwest Inc. (Texas - GTTX) GTE Southwest Inc. (Total Southwest GTE)	21.74	21.42	16.43	14.81	11.53	7.11	7.24	9.00	11.52	10.22

**Interstate Rate of Return Summary \***  
**Years 1991 through 2000**  
**Price-Cap Companies Reporting FCC Form 492A - Continued**  
**(Final Reports for 1991 through 1999 and Initial Report for 2000)**

Prepared by Katie Rangos as of May 3, 2001.

Reporting Entity	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
41 GTE Southwest Inc. (Texas - COTX)	12.87	17.13	14.96	18.10	22.42	14.62	8.29	17.89	9.64	10.22
GTE Southwest Inc. (New Mexico - CONM)	1/	28.68	47.21	48.69	42.53	47.29	27.57			
Contel of the West dba GTE West (Arizona only - COWZ)							14.86			
GTE West (West Contel)								17.26	13.81	10.51
42 Micronesian Telecomms. Corp. (N. Mariana Islands - GTMC)	1.87	29.24	34.45	21.17	15.49	7.49	2.53			
GTE New York (New York Contel)								12.10	8.60	9.90
GSTC - North (East North Contel)								15.51	10.15	10.36
<b>Sprint</b>										
43 Central Telephone of Nevada	19.29	21.15	17.79	17.07	20.42	20.46	18.90	14.23	12.44	
44 Sprint - Florida	27.38	27.17	26.14	20.05						
Central Telephone of Florida					17.85	17.16	15.93	14.66	11.44	
United Telephone Co. of Florida					19.79	19.28	17.63	14.44	12.27	13.00
45 Sprint Local Telephone Cos. - Eastern (NJ & PA)	25.62	20.87	14.59	17.36	17.42	14.87	16.12	13.98	12.32	11.71
46 Sprint Local Telephone Cos. - Midwest (MO, KS, MN, NE, Central Telephone of Texas)	18.88	17.69	19.66	19.97						
United Telephone - Midwest (MO, KS, MN, NE, WY, TX)					21.58	21.81	18.39	16.19	14.94	
47 Sprint Local Telephone Cos. - North Carolina	22.23	15.92	12.55	16.54						
Central Telephone of North Carolina					15.75	15.36	14.19	11.97	11.29	
Carolina Telephone And Telegraph Company					15.38	17.77	15.39	11.10	10.14	11.43
48 Sprint Local Telephone Cos. - Northwest	32.77	31.86	32.54	30.59	34.55	34.17	29.32	19.39	17.72	17.27
49 Sprint Local Telephone Cos. - Southeast (TN, VA & SC)	23.32	17.50	15.87	17.62						
Central Telephone of Virginia					17.46	15.87	14.30	15.55	12.91	
United Telephone - Southeast (TN, VA & SC)					20.66	19.05	19.17	13.39	13.48	13.66
50 United Telephone Co. of Indiana, Inc.	38.21	28.98	24.19	26.13	24.30	20.33	18.41	15.55	14.93	14.06
51 United Telephone Co. of Ohio	20.03	20.16	17.33	13.91	16.12	15.93	16.54	13.15	12.33	12.75
Central Telephone of Illinois				18.92	18.40	19.55	18.87	10.18	11.54	
<b>All Other Companies</b>										
52 Aliant Communications Company (ALLTEL)	12.00	19.27	15.02	12.27	14.95	16.09	15.47	14.95	12.36	
53 Cincinnati Bell Telephone Company	28.95	25.45	17.81	20.04						
54 Citizens Telecommunications Cos. (Tariff 1)	19.68	16.71	17.87	9.77	15.42					
55 Citizens Telecommunications Cos. (Tariff 2)	24.05	15.74	14.29	13.25	13.58					
56 Citizens Telecommunications Cos. (Tariff 3)	16.12	15.56								
57 Citizens Telecommunications Cos. (Tariff 4)	30.94									
58 Citizens Telecommunications Cos. (Tariff 5)	(11.23)									
59 Frontier Telephone of Rochester, Inc.	18.91	16.77	18.37	13.19	10.20	11.87	12.02	11.63	12.11	11.82
60 Frontier Tier 2 Concurring Companies	38.95	43.42	45.45	31.93	26.91	19.32	17.69	16.42		
61 Frontier Communications of Minnesota & Iowa	33.16	35.40	29.28	28.26	23.71	21.90	19.65	14.99	13.65	13.71
62 VALOR New Mexico #1164	20.57									
63 VALOR New Mexico #1193	13.41									
64 VALOR Oklahoma	11.17									
65 VALOR Texas	6.70									

Maximum Rate of Return	47.71 %	43.42 %	47.21 %	48.69 %	42.53 %	47.29 %	32.60 %	22.33 %	17.72 %	17.27 %
Minimum Rate of Return	(11.23)	(9.93)	(6.85)	(25.83)	(24.03)	(16.99)	(15.37)	7.05	8.51	8.54
Weighted Arithmetic Mean	19.53	18.50	16.52	15.60	15.15	14.02	13.58	13.12	12.42	11.78
Standard Deviation	5.987	5.96	5.13	3.96	3.64	3.03	2.59	1.76	0.96	1.49

\* The interstate rates of return reported by carriers on the FCC Form 492A may not necessarily agree with the interstate rates of return reported by the carriers on other Commission forms. For example, price-cap carriers also report interstate rates of return on the Commission's Automated Reporting Management Information System (ARMIS) 43-01 report. The interstate rates of return reported by carriers on the ARMIS 43-01 include revenues and costs for non-price-cap services. In addition, they exclude adjustments, if any, for the previous year's sharing obligation or low-end adjustment.

1/ Study area was sold.